

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1166**

56th Legislature  
1999 Regular Session

Passed by the House April 1, 1999  
Yeas 94 Nays 1

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**Speaker of the House of Representatives**

\_\_\_\_\_  
**Speaker of the House of Representatives**

Passed by the Senate April 25, 1999  
Yeas 47 Nays 2

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1166** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1166**

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Passed Legislature - 1999 Regular Session

**State of Washington**

**56th Legislature**

**1999 Regular Session**

**By** House Committee on Capital Budget (originally sponsored by Representatives Murray, Mitchell, Hankins and O'Brien; by request of Governor Locke)

Read first time 04/1/1999.

1 AN ACT Relating to state general obligation bonds and related  
2 accounts; amending RCW 43.84.092 and 43.84.092; adding a new chapter to  
3 Title 43 RCW; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** For the purpose of providing funds to  
6 finance the projects described and authorized by the legislature in the  
7 capital and operating appropriation acts for the 1999-01 fiscal  
8 biennium only, and all costs incidental thereto, the state finance  
9 committee is authorized to issue general obligation bonds of the state  
10 of Washington in the sum of one billion two hundred four million two  
11 hundred sixty-five thousand dollars, or as much thereof as may be  
12 required, to finance these projects and all costs incidental thereto.  
13 Bonds authorized in this section may be sold at such price as the state  
14 finance committee shall determine. No bonds authorized in this section  
15 may be offered for sale without prior legislative appropriation of the  
16 net proceeds of the sale of the bonds.

17 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds  
18 authorized in section 1 of this act shall be deposited in the state

1 building construction account created by RCW 43.83.020. The proceeds  
2 shall be transferred as follows:

3 (1) Nine hundred fifty million dollars to remain in the state  
4 building construction account created by RCW 43.83.020;

5 (2) Twenty-two million five hundred thousand dollars to the outdoor  
6 recreation account created by RCW 43.99.060;

7 (3) Twenty-two million five hundred thousand dollars to the habitat  
8 conservation account created by RCW 43.98A.020;

9 (4) One hundred thirty-six million eight hundred thirty-six  
10 thousand dollars to the higher education construction account created  
11 by RCW 28B.14D.040;

12 (5) Thirty-six million three hundred thousand dollars to the state  
13 higher education construction account created by RCW 28B.10.851.

14 These proceeds shall be used exclusively for the purposes specified  
15 in this section and for the payment of expenses incurred in the  
16 issuance and sale of the bonds issued for the purposes of this section,  
17 and shall be administered by the office of financial management subject  
18 to legislative appropriation.

19 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond  
20 retirement account shall be used for the payment of the principal of  
21 and interest on the bonds authorized in section 2 (1), (2), and (3) of  
22 this act.

23 (2) The state finance committee shall, on or before June 30th of  
24 each year, certify to the state treasurer the amount needed in the  
25 ensuing twelve months to meet the bond retirement and interest  
26 requirements on the bonds authorized in section 2 (1), (2), and (3) of  
27 this act.

28 (3) On each date on which any interest or principal and interest  
29 payment is due on bonds issued for the purposes of section 2 (1), (2),  
30 and (3) of this act the state treasurer shall withdraw from any general  
31 state revenues received in the state treasury and deposit in the debt-  
32 limit general fund bond retirement account an amount equal to the  
33 amount certified by the state finance committee to be due on the  
34 payment date.

35 NEW SECTION. **Sec. 4.** (1) The nondebt-limit reimbursable bond  
36 retirement account shall be used for the payment of the principal of

1 and interest on the bonds authorized in section 2 (4) and (5) of this  
2 act.

3 (2) The state finance committee shall, on or before June 30th of  
4 each year, certify to the state treasurer the amount needed in the  
5 ensuing twelve months to meet the bond retirement and interest  
6 requirements on the bonds authorized in section 2 (4) and (5) of this  
7 act.

8 (3) On each date on which any interest or principal and interest  
9 payment is due on bonds issued for the purposes of section 2(4) of this  
10 act, the board of regents of the University of Washington shall cause  
11 to be paid out of University of Washington nonappropriated local funds  
12 to the state treasurer for deposit into the nondebt-limit reimbursement  
13 bond retirement account the amount computed in subsection (2) of this  
14 section for bonds issued for the purposes of section 2(4) of this act.

15 (4) On each date on which any interest or principal and interest  
16 payment is due on bonds issued for the purposes of section 2(5) of this  
17 act, the board of regents of Washington State University shall cause to  
18 be paid out of the Washington State University nonappropriated funds to  
19 the state treasurer for deposit into the nondebt-limit reimbursement  
20 bond retirement account the amount computed in subsection (2) of this  
21 section for bonds issued for the purposes of section 2(5) of this act.

22 NEW SECTION. **Sec. 5.** (1) Bonds issued under sections 1 through 4  
23 of this act shall state that they are a general obligation of the state  
24 of Washington, shall pledge the full faith and credit of the state to  
25 the payment of the principal thereof and the interest thereon, and  
26 shall contain an unconditional promise to pay the principal and  
27 interest as the same shall become due.

28 (2) The owner and holder of each of the bonds or the trustee for  
29 the owner and holder of any of the bonds may by mandamus or other  
30 appropriate proceeding require the transfer and payment of funds as  
31 directed in this section.

32 NEW SECTION. **Sec. 6.** The legislature may provide additional means  
33 for raising moneys for the payment of the principal of and interest on  
34 the bonds authorized in section 1 of this act, and sections 2 through  
35 4 of this act shall not be deemed to provide an exclusive method for  
36 the payment.

1        NEW SECTION.    **Sec. 7.**    The bonds authorized in section 1 of this  
2 act shall be a legal investment for all state funds or funds under  
3 state control and for all funds of any other public body.

4        **Sec. 8.**    RCW 43.84.092 and 1997 c 218 s 5 are each amended to read  
5 as follows:

6        (1) All earnings of investments of surplus balances in the state  
7 treasury shall be deposited to the treasury income account, which  
8 account is hereby established in the state treasury.

9        (2) The treasury income account shall be utilized to pay or receive  
10 funds associated with federal programs as required by the federal cash  
11 management improvement act of 1990. The treasury income account is  
12 subject in all respects to chapter 43.88 RCW, but no appropriation is  
13 required for refunds or allocations of interest earnings required by  
14 the cash management improvement act. Refunds of interest to the  
15 federal treasury required under the cash management improvement act  
16 fall under RCW 43.88.180 and shall not require appropriation. The  
17 office of financial management shall determine the amounts due to or  
18 from the federal government pursuant to the cash management improvement  
19 act. The office of financial management may direct transfers of funds  
20 between accounts as deemed necessary to implement the provisions of the  
21 cash management improvement act, and this subsection. Refunds or  
22 allocations shall occur prior to the distributions of earnings set  
23 forth in subsection (4) of this section.

24        (3) Except for the provisions of RCW 43.84.160, the treasury income  
25 account may be utilized for the payment of purchased banking services  
26 on behalf of treasury funds including, but not limited to, depository,  
27 safekeeping, and disbursement functions for the state treasury and  
28 affected state agencies. The treasury income account is subject in all  
29 respects to chapter 43.88 RCW, but no appropriation is required for  
30 payments to financial institutions. Payments shall occur prior to  
31 distribution of earnings set forth in subsection (4) of this section.

32        (4) Monthly, the state treasurer shall distribute the earnings  
33 credited to the treasury income account. The state treasurer shall  
34 credit the general fund with all the earnings credited to the treasury  
35 income account except:

36        (a) The following accounts and funds shall receive their  
37 proportionate share of earnings based upon each account's and fund's  
38 average daily balance for the period:    The capitol building

1 construction account, the Cedar River channel construction and  
2 operation account, the Central Washington University capital projects  
3 account, the charitable, educational, penal and reformatory  
4 institutions account, the common school construction fund, the county  
5 criminal justice assistance account, the county sales and use tax  
6 equalization account, the data processing building construction  
7 account, the deferred compensation administrative account, the deferred  
8 compensation principal account, the department of retirement systems  
9 expense account, the drinking water assistance account, the Eastern  
10 Washington University capital projects account, the education  
11 construction fund, the emergency reserve fund, the federal forest  
12 revolving account, the health services account, the public health  
13 services account, the health system capacity account, the personal  
14 health services account, the state higher education construction  
15 account, the higher education construction account, the highway  
16 infrastructure account, the industrial insurance premium refund  
17 account, the judges' retirement account, the judicial retirement  
18 administrative account, the judicial retirement principal account, the  
19 local leasehold excise tax account, the local real estate excise tax  
20 account, the local sales and use tax account, the medical aid account,  
21 the mobile home park relocation fund, the municipal criminal justice  
22 assistance account, the municipal sales and use tax equalization  
23 account, the natural resources deposit account, the perpetual  
24 surveillance and maintenance account, the public employees' retirement  
25 system plan I account, the public employees' retirement system plan II  
26 account, the Puyallup tribal settlement account, the resource  
27 management cost account, the site closure account, the special wildlife  
28 account, the state employees' insurance account, the state employees'  
29 insurance reserve account, the state investment board expense account,  
30 the state investment board commingled trust fund accounts, the  
31 supplemental pension account, the teachers' retirement system plan I  
32 account, the teachers' retirement system plan II account, the  
33 transportation infrastructure account, the tuition recovery trust fund,  
34 the University of Washington bond retirement fund, the University of  
35 Washington building account, the volunteer fire fighters' relief and  
36 pension principal account, the volunteer fire fighters' relief and  
37 pension administrative account, the Washington judicial retirement  
38 system account, the Washington law enforcement officers' and fire  
39 fighters' system plan I retirement account, the Washington law

1 enforcement officers' and fire fighters' system plan II retirement  
2 account, the Washington state patrol retirement account, the Washington  
3 State University building account, the Washington State University bond  
4 retirement fund, the water pollution control revolving fund, and the  
5 Western Washington University capital projects account. Earnings  
6 derived from investing balances of the agricultural permanent fund, the  
7 normal school permanent fund, the permanent common school fund, the  
8 scientific permanent fund, and the state university permanent fund  
9 shall be allocated to their respective beneficiary accounts. All  
10 earnings to be distributed under this subsection (4)(a) shall first be  
11 reduced by the allocation to the state treasurer's service fund  
12 pursuant to RCW 43.08.190.

13 (b) The following accounts and funds shall receive eighty percent  
14 of their proportionate share of earnings based upon each account's or  
15 fund's average daily balance for the period: The aeronautics account,  
16 the aircraft search and rescue account, the central Puget Sound public  
17 transportation account, the city hardship assistance account, the  
18 county arterial preservation account, the department of licensing  
19 services account, the economic development account, the essential rail  
20 assistance account, the essential rail banking account, the ferry bond  
21 retirement fund, the gasohol exemption holding account, the grade  
22 crossing protective fund, the high capacity transportation account, the  
23 highway bond retirement fund, the highway construction stabilization  
24 account, the highway safety account, the marine operating fund, the  
25 motor vehicle fund, the motorcycle safety education account, the  
26 pilotage account, the public transportation systems account, the Puget  
27 Sound capital construction account, the Puget Sound ferry operations  
28 account, the recreational vehicle account, the rural arterial trust  
29 account, the safety and education account, the small city account, the  
30 special category C account, the state patrol highway account, the  
31 transfer relief account, the transportation capital facilities account,  
32 the transportation equipment fund, the transportation fund, the  
33 transportation improvement account, the transportation revolving loan  
34 account, and the urban arterial trust account.

35 (5) In conformance with Article II, section 37 of the state  
36 Constitution, no treasury accounts or funds shall be allocated earnings  
37 without the specific affirmative directive of this section.

1       **Sec. 9.** RCW 43.84.092 and 1998 c 341 s 708 are each amended to  
2 read as follows:

3       (1) All earnings of investments of surplus balances in the state  
4 treasury shall be deposited to the treasury income account, which  
5 account is hereby established in the state treasury.

6       (2) The treasury income account shall be utilized to pay or receive  
7 funds associated with federal programs as required by the federal cash  
8 management improvement act of 1990. The treasury income account is  
9 subject in all respects to chapter 43.88 RCW, but no appropriation is  
10 required for refunds or allocations of interest earnings required by  
11 the cash management improvement act. Refunds of interest to the  
12 federal treasury required under the cash management improvement act  
13 fall under RCW 43.88.180 and shall not require appropriation. The  
14 office of financial management shall determine the amounts due to or  
15 from the federal government pursuant to the cash management improvement  
16 act. The office of financial management may direct transfers of funds  
17 between accounts as deemed necessary to implement the provisions of the  
18 cash management improvement act, and this subsection. Refunds or  
19 allocations shall occur prior to the distributions of earnings set  
20 forth in subsection (4) of this section.

21       (3) Except for the provisions of RCW 43.84.160, the treasury income  
22 account may be utilized for the payment of purchased banking services  
23 on behalf of treasury funds including, but not limited to, depository,  
24 safekeeping, and disbursement functions for the state treasury and  
25 affected state agencies. The treasury income account is subject in all  
26 respects to chapter 43.88 RCW, but no appropriation is required for  
27 payments to financial institutions. Payments shall occur prior to  
28 distribution of earnings set forth in subsection (4) of this section.

29       (4) Monthly, the state treasurer shall distribute the earnings  
30 credited to the treasury income account. The state treasurer shall  
31 credit the general fund with all the earnings credited to the treasury  
32 income account except:

33       (a) The following accounts and funds shall receive their  
34 proportionate share of earnings based upon each account's and fund's  
35 average daily balance for the period: The capitol building  
36 construction account, the Cedar River channel construction and  
37 operation account, the Central Washington University capital projects  
38 account, the charitable, educational, penal and reformatory  
39 institutions account, the common school construction fund, the county



1 criminal justice assistance account, the county sales and use tax  
2 equalization account, the data processing building construction  
3 account, the deferred compensation administrative account, the deferred  
4 compensation principal account, the department of retirement systems  
5 expense account, the drinking water assistance account, the Eastern  
6 Washington University capital projects account, the education  
7 construction fund, the emergency reserve fund, the federal forest  
8 revolving account, the health services account, the public health  
9 services account, the health system capacity account, the personal  
10 health services account, the state higher education construction  
11 account, the higher education construction account, the highway  
12 infrastructure account, the industrial insurance premium refund  
13 account, the judges' retirement account, the judicial retirement  
14 administrative account, the judicial retirement principal account, the  
15 local leasehold excise tax account, the local real estate excise tax  
16 account, the local sales and use tax account, the medical aid account,  
17 the mobile home park relocation fund, the municipal criminal justice  
18 assistance account, the municipal sales and use tax equalization  
19 account, the natural resources deposit account, the perpetual  
20 surveillance and maintenance account, the public employees' retirement  
21 system plan I account, the public employees' retirement system plan II  
22 account, the Puyallup tribal settlement account, the resource  
23 management cost account, the site closure account, the special wildlife  
24 account, the state employees' insurance account, the state employees'  
25 insurance reserve account, the state investment board expense account,  
26 the state investment board commingled trust fund accounts, the  
27 supplemental pension account, the teachers' retirement system plan I  
28 account, the teachers' retirement system combined plan II and plan III  
29 account, the transportation infrastructure account, the tuition  
30 recovery trust fund, the University of Washington bond retirement fund,  
31 the University of Washington building account, the volunteer fire  
32 fighters' relief and pension principal account, the volunteer fire  
33 fighters' relief and pension administrative account, the Washington  
34 judicial retirement system account, the Washington law enforcement  
35 officers' and fire fighters' system plan I retirement account, the  
36 Washington law enforcement officers' and fire fighters' system plan II  
37 retirement account, the Washington school employees' retirement system  
38 combined plan II and III account, the Washington state patrol  
39 retirement account, the Washington State University building account,

1 the Washington State University bond retirement fund, the water  
2 pollution control revolving fund, and the Western Washington University  
3 capital projects account. Earnings derived from investing balances of  
4 the agricultural permanent fund, the normal school permanent fund, the  
5 permanent common school fund, the scientific permanent fund, and the  
6 state university permanent fund shall be allocated to their respective  
7 beneficiary accounts. All earnings to be distributed under this  
8 subsection (4)(a) shall first be reduced by the allocation to the state  
9 treasurer's service fund pursuant to RCW 43.08.190.

10 (b) The following accounts and funds shall receive eighty percent  
11 of their proportionate share of earnings based upon each account's or  
12 fund's average daily balance for the period: The aeronautics account,  
13 the aircraft search and rescue account, the central Puget Sound public  
14 transportation account, the city hardship assistance account, the  
15 county arterial preservation account, the department of licensing  
16 services account, the economic development account, the essential rail  
17 assistance account, the essential rail banking account, the ferry bond  
18 retirement fund, the gasohol exemption holding account, the grade  
19 crossing protective fund, the high capacity transportation account, the  
20 highway bond retirement fund, the highway construction stabilization  
21 account, the highway safety account, the marine operating fund, the  
22 motor vehicle fund, the motorcycle safety education account, the  
23 pilotage account, the public transportation systems account, the Puget  
24 Sound capital construction account, the Puget Sound ferry operations  
25 account, the recreational vehicle account, the rural arterial trust  
26 account, the safety and education account, the small city account, the  
27 special category C account, the state patrol highway account, the  
28 transfer relief account, the transportation capital facilities account,  
29 the transportation equipment fund, the transportation fund, the  
30 transportation improvement account, the transportation revolving loan  
31 account, and the urban arterial trust account.

32 (5) In conformance with Article II, section 37 of the state  
33 Constitution, no treasury accounts or funds shall be allocated earnings  
34 without the specific affirmative directive of this section.

35 NEW SECTION. **Sec. 10.** If any provision of this act or its  
36 application to any person or circumstance is held invalid, the  
37 remainder of the act or the application of the provision to other  
38 persons or circumstances is not affected.

1        NEW SECTION.   **Sec. 11.**   Sections 1 through 7 of this act constitute  
2 a new chapter in Title 43 RCW.

3        NEW SECTION.   **Sec. 12.**   This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of the  
5 state government and its existing public institutions, and takes effect  
6 immediately.

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